

Global Markets Daily

Of Inflation and Fed's Report

EUR Rose Overnight on ECB Minutes

EUR rose for the first time overnight after 4 consecutive sessions of decline. Move higher came after ECB minutes showed that inflation is picking up at a faster pace. This somewhat sparked off speculations that ECB QE could end earlier than expected. Inflation expectations for 2018 - 2019 saw modest upward revision in ECB Survey of Professional Forecasters. Elsewhere in the Minutes, some members expressed preference for dropping easing bias but it was agreed that guidance shift was premature. We believe guidance shift could come when inflation shows clearer signs of sustainable uptick. Meantime we caution that EU political risk premium could return over the next 2 weeks or so but we do not expect political risk to escalate into concerns. Hence dips in EUR provide opportunity to buy into.

Fed's Report to Congress Tonight (Midnight SG/KL time)

This comes ahead of incoming Fed Chair Powell's first testimony to House Financial Services Committee on 28 Feb and to the Senate Banking Committee on 1 Mar. Given the recent uptick in inflation and wage data as well as recent FoMC minutes (Officials viewed the latest data on consumer and business spending as a sign of "substantial underlying economic momentum" and they specifically pointed to the tax reforms as a reason to be optimistic about the economy over the short term. A number of officials saw the initial effects of the tax law as a sign that tax cuts will have a bigger growth effect than they previously thought), it is possible that Fed's report would reflect rising inflation risks and emphasized its optimism on growth outlook. This can be taken as greater tolerance for faster pace of rate hikes.

Data Focus on SG, EU CPIs

Singapore releases Jan CPI at 1pm (SG/KL time). Consensus expects MAS Core CPI to come in firmer than prior at 1.5% y/y (vs. 1.3% in Dec). Headline CPI is expected to remain steady at +0.4%. EU CPI is scheduled for release at 6pm (SG/KL time).

FX: Overnight Closing Prices					
Majors	Prev Close	% Chg	Asian FX	Prev Close	% Chg
EUR/USD	1.233	↑ 0.37	USD/SGD	1.3192	↓ -0.34
GBP/USD	1.3956	↑ 0.27	EUR/SGD	1.6266	↑ 0.04
AUD/USD	0.7846	↑ 0.54	JPY/SGD	1.2358	↑ 0.62
NZD/USD	0.7342	↑ 0.31	GBP/SGD	1.8409	↓ -0.08
USD/JPY	106.75	↓ -0.96	AUD/SGD	1.035	↑ 0.18
EUR/JPY	131.64	↓ -0.57	NZD/SGD	0.9683	↓ -0.05
USD/CHF	0.9329	↓ -0.65	CHF/SGD	1.4142	↑ 0.32
USD/CAD	1.2705	↑ 0.02	CAD/SGD	1.0384	↓ -0.36
USD/MYR	3.917	↑ 0.28	SGD/MYR	2.9594	↑ 0.03
USD/THB	31.468	↓ -0.25	SGD/IDR	10332.46	↑ 0.28
USD/IDR	13685	↑ 0.49	SGD/PHP	39.3763	↓ -0.15
USD/PHP	52.128	↑ 0.07	SGD/CNY	4.8196	↑ 0.31

Implied USD/SGD Estimates @ 23 Feb-18, 9.00AM

Upper Band Limit	Mid-Point	Lower Band Limit
1.2983	1.3246	1.3510

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G7: Events & Market Closure

Date	Ctry	Event
19 Feb	US	Market Closure

AXJ: Events & Market Closure

Date	Ctry	Event
19 Feb	CN, HK, TW	Market Closure
20 Feb	CN, TW	Market Closure
21 Feb	CN	Market Closure

G7 Currencies

- **DXY - Eyes on Fed's Report to Congress.** Fed releases monetary policy report to Congress (12 midnight SG/KL time tonight). This is published ahead of incoming Fed Chair Powell's first testimony to House Financial Services Committee on 28 Feb and to the Senate Banking Committee on 1 Mar. We believe USD could remain broadly supported today ahead of key event risk. Given the recent uptick in inflation and wage data as well as recent FoMC minutes (Officials viewed the latest data on consumer and business spending as a sign of "substantial underlying economic momentum" and they specifically pointed to the tax reforms as a reason to be optimistic about the economy over the short term. A number of officials saw the initial effects of the tax law as a sign that tax cuts will have a bigger growth effect than they previously thought), it is **possible that Fed's report would reflect rising inflation risks and emphasized its optimism on growth outlook.** This can be taken as greater tolerance for faster pace of rate hikes. Such a scenario could see UST bond yields rising amid continued bond sell-off. We reiterate our caution that persistent and rapid rise in UST yields above 3.05% could weigh further on sentiment. As such, we see trimming of USD shorts ahead of event risk. Our house view remains for 2-3 Fed rate hikes this year. Synchronised global growth recovery, led by US, EU remains intact while inflation upticks are within largely within expectation and may be too soon to judge if upticks could gather pace sustainably to warrant a shift for faster pace of rate hikes. We look for USD upticks to fade into. DXY was last seen at 89.80 levels. Daily momentum and stochastics indicators are mild bullish bias. Resistance at 90.70 (38.2% fibo retracement of Dec high to Jan-Feb double bottom low), 91.40 (50% fibo). Support seen at 88.40 (double-bottom low). Day ahead brings Fed's Dudley, Rosengren and Williams to speak; Fed releases monetary policy report to Congress.
- **EURUSD - CPI in Focus.** EUR rose for the first time overnight after 4 consecutive sessions of decline. Move higher came after ECB minutes showed that inflation is picking up at a faster pace. This somewhat sparked off speculations that ECB QE could end earlier than expected. Inflation expectations for 2018 - 2019 saw modest upward revision in ECB Survey of Professional Forecasters. Elsewhere in the Minutes, some members expressed preference for dropping easing bias but it was agreed that guidance shift was premature. We believe guidance shift could come when inflation shows clearer signs of sustainable uptick. Meantime we caution that EU political risk premium could return over the next 2 weeks or so but we do not expect political risk to escalate into concerns. Hence dips in EUR provide opportunity to buy into. Voting for German coalition deal (for 440,000 SPD members) starts this week and final results will be made known on 4th Mar. Leading SPD Mayors appear to back coalition deal with Merkel according to polls. A German coalition government appears to be priced in. We caution that no-deal surprise could trigger EUR-long unwinding as fear of re-election may resurface. On Italy politics, General Election is scheduled on 4th Mar. Polls are currently suggesting a hung parliament outcome. EUR could drift lower if the balance is tilted towards Berlusconi's centre-right coalition or Five Star Movement party. EUR was last seen at 1.2330 levels. Mild bearish momentum on daily chart remains intact.

Support at 1.2210 (38.2% fibo retracement of Dec double-bottom low to Jan-Feb triple top). Interim resistance at 1.24 before bigger area of resistance at 1.2540 - 1.2560 (triple top). Week remaining brings CPI (Jan); ECB's Coeure and Fed's Mester to speak in panel on Fri.

- **GBPUSD - Downside Risks within 1.38 - 1.40 Range.** GBP fell below 1.39-handle to 1-week low of 1.3857 after 4Q GDP disappointed to the downside (+0.4 q/q vs. +0.5% expected). But subsequently recovered into overnight close amid USD weakness. Pair was last seen at 1.3950 levels. Mild bearish momentum on daily chart remains intact. We do not rule out interim downside risks. Support at 1.3810 (61.8% fibo retracement of EU referendum high to Oct-2016 low). Resistance at 1.4150, 1.4270 (76.4% fibo). BoE's Ramsden speaks today. We expect GBP to remain caught in a tug of war between Brexit progress (main source of volatility) and BoE rhetoric (which has been hawkish). A more united view on Brexit should help with negotiation process but matters of politics are fluid and remain too early to conclude given factions within Conservative party and between different parties (Labour and Conservative). We also noted there was news this week that EU parliament is said to be preparing a detailed resolution calling for more flexibility in future relationship talks with Britain that would allow for privileged single-market access. A more constructive approach towards negotiating a brexit deal with UK helps support our bias for smooth and orderly exit. Such a scenario if confirmed will further support GBP strength amid BoE's explicit willingness to tighten monetary policy earlier than expected (And Carney said that this is conditional on orderly Brexit).
- **USDJPY - Rebounding.** USDJPY was the best performing currency among the G10 and Asians after slipping lower below the 107-levels overnight amid a pullback in UST yields and USD. Pair had fallen nearly 1% against the USD overnight. Since then, the pair has rebounded after inflation failed to excite, reigniting expectations for continuing easy monetary policy by the BOJ. Headline, core (headline less fresh food) and core-core (headline less fresh food and energy) rose 1.4%, 0.9% and 0.4% respectively in Jan (Dec: 1.0%, 0.9% and 0.3%), beating estimates of 1.3%, 0.8% and 0.3%. Supportive of the pair as well is the sell-off in the JPY against most of its G7 peers this morning as safe-haven plays fade. Rebounding UST yields this morning is also supportive of the pair. Pair could remain supported ahead of Fed's release of semi-annual monetary policy report to Congress later tonight as well as Fed Chair Powell's testimony to Congress next week. This could keep the USD supported as short-USD positions are pared further and weigh on the JPY. Last seen around 106.95 levels, pair has lost most of its bearish momentum, while stochastics is climbing higher from oversold conditions. Weekly momentum and stochastics though remains bearish bias. Further upticks could meet resistance around 107.40 (38.2% fibo retracement of Feb high to low). Support is around the 106-levels before 105.55 (2018 low on 16 Feb).
- **NZDUSD - Near Term Pullback.** NZD gains overnight were erased this morning despite stronger 4Q retail sales data this morning. That said the move lower remains in line with our bias for near term pullback. NZD was last seen at 0.7320 levels. Weekly stochastics

indicates that pair is near overbought conditions and could be at risk of short term pullback. Sustained close below 0.7320 puts next support at 0.7290 (23.6% fibo retracement of Dec low to Jan top) and 0.72 levels (38.2% fibo). Resistance at 0.7440 (double-top).

- **AUDUSD - Capped.** AUDUSD made a recovery overnight with the pair testing the resistance at 0.7856 (55-DMA) before inching lower this morning. This pair remains within the 0.7770-0.7940 range for the past few weeks. On the weekly chart, the pair seems vulnerable to the downside. A double top is seen at 0.8120 and the target of 0.76-figure seen. This pair needs to break the support at 0.7770 first before 0.7600. Prices are last seen around the 0.78-figure. We have downgraded our 1Q forecast for AUDUSD from 0.80 to 0.7850, expecting the bears to stay a little longer in an environment of USD resurgence and heightened volatility. We also see a risk to our call for RBA to hike in May given the fact that federal agencies are no longer required to enter into enterprise agreements. This latest development could dampen wage increase and lower inflation pressure. Resistance is seen at 0.7850 before 0.7940. Support at 0.7770 before 0.7600. UST 10y yields slipped overnight to 2.92%. Worth noting was some Fed speaks yesterday including Fed Bullard's interview with CNBC who warns of the "restrictive effect on the economy" of too many interest rate increases. In addition, he said raising FFR by 1 percent "would be priced for perfection".
- **USDCAD - Climbing.** USDCAD saw little moves yesterday as USDCAD was trapped between a softening USD and oil recovery. Last seen around 1.2710, above the 200-DMA. The 21-DMA is on its way to cut the 50-DMA, 100-DMA and 200-DMA. 100-DMA at 1.2630 is seen as the support should the nearer 1.2666 (61.8% Fibonacci retracement of the Dec-Feb fall) breaks. Resistance is seen at 1.2760 (76.4% Fibonacci retracement of the Dec-Feb fall). That said, this resistance may not hold for long and pair may return to the sticky levels of 1.2850 sooner rather than later. Jan retail sales fell more than expected by -0.8m/m for Dec vs. the previous 0.3%. That weighed on the loonie. Week remaining has Jan CPI tonight.

Asia ex Japan Currencies

- **SGD trades around 0.46% above the implied mid-point of 1.3246.** The top is estimated at 1.2983 and the floor at 1.3510.
- **USDSGD - *Weighed*.** USDSGD extended overnight losses as further short-USD positions against the Asians were increased post-FOMC minutes. Still, there is potential for further upside in the near term given key risks events ahead including Fed's release of semi-annual monetary policy report to Congress this evening and Fed Chair Powell's testimony to Congress next week. As well, market is eyeing CPI release later this afternoon for clues whether the MAS will begin normalising policy as early as at its Apr meeting. Market estimates is for core inflation to 1.5% in Jan from 1.3% in Dec and for headline inflation to come in at 0.4%, unchanged from Dec. Data outperformance could trigger expectations of MAS policy normalisation at its Apr meeting, spurring long-SGD positions vs. the USD, and weigh on the pair. The pullback in UST yields sent 3-month SOR lower by 0.8% to 1.31% yesterday. With risks to UST yields still to the upside, further upticks in the 3-month SOR cannot be ruled out intraday. Pair was last seen at 1.3191 levels. Daily momentum and stochastics remain very mildly bullish bias. Weekly chart is also showing no strong bias in either direction and stochastics shows tentative signs of climbing higher from oversold conditions. Move higher should remain a slow grind. Support is around 1.3170 (38.2% fibo retracement of the Feb high to low), 1.3125 (23.6% fibo). Resistance is around the 1.32-levels (50% fibo), 1.3230-levels (61.8% fibo). CPI (Jan) is due for release later this afternoon.
- **AUDSGD - *Bears Pressing On*.** AUDSGD waffled around 1.0330, testing support thereabouts. A break there opens the way towards 1.0260. Resistance seen at 1.0390, 1.0420 (55-DMA). Bearish momentum persists.
- **SGDMYR - *Lean against Strength*.** SGDMYR remains little changed; last seen at 2.9550 levels. Bearish momentum on weekly chart remains intact. Trend is your friend; bias to stay short. Support at 2.95, 2.9270 levels (76.4% fibo). Resistance at 2.9750 (61.8% fibo retracement of 2016 low to 2017 high), 2.9970 levels (50 DMA).
- **USDMYR - *Bearish Bias*.** USDMYR slid amid supported risk sentiment in Asia this morning. Lower than expected USDCNY fix this morning also help anchor USD/AXJ lower. Pair was last seen at 3.8980 levels. Mild bullish momentum on daily chart remains intact but stochastics is falling - this suggests moderating bulls. Support seen at 3.88, 3.8660 (previous low). Resistance at 3.92, 3.9510 levels (38.2% fibo retracement of Jan high to low). Bias to fade. We **reiterate our bias for MYR strength** to continue in early part (next few months) of 2018 amid expectations for announcement for Malaysian GE (likely to be held in coming months), positive development in domestic fundamentals including shifts in investor sentiment, strong GDP outlook, widening current account surplus against supporting external environment - synchronous global economic recovery benefitting Asian exports including Malaysia and possibly see this extending into investment recovery in 2018. Furthermore there are also signs of stabilising commodity prices amid OPEC production cut extension and steady demand for oil prices. And we expect these

drivers - both external and domestic to provide the near term support for MYR.

- **1m USDKRW NDF - Range.** 1m USDKRW fell on supported risk sentiment. Lower than expected USDCNY fix this morning also help anchor USD/AXJ lower. We shared that the move higher this week needs to close above key resistance at 1081 for further upside towards 1087 (23.6% fibo). Failing which the pair could trade lower. Pair was last seen at 1077 levels. Support at 1076 (50% fibo retracement of 2018 low to high), 1073 (50 DMA). Resistance remains at 1081 (38.2% fibo retracement of 2018 low to high), 1087 (23.6% fibo).
- **USDCNH - Consolidates.** USDCNH hovered around 6.3360, in the absence of stronger USD as market players position themselves ahead of the publication of the semi-annual testimony to the Congress to be delivered by Jerome Powell. UST 10y eased towards 2.92%, unwinding carry trades. *CGB-UST 10y spread was last seen at 96bps. USDCNH trades at a discount of 188pips to USDCNY this morning.* PBoC fixed the USDCNY reference rate at **6.3482, 48pips lower than the previous 6.3530.** CNYMYR was fixed 15 pips higher at **0.6163 vs. previous at 0.6148.** EURCNY was fixed **310 pips higher at 7.8276 vs. the previous at 7.7966.** This morning, PBoC is said to inject a net CNY230bn in reverse repos. In the medium term, we look for China to ease capital controls. That could bring about bouts of weakness in the CNY against the USD as mainland market players, investors, merchants rush to meet their pent-up demand. More two-way volatility in the CNY and CNH against the USD could be a new norm as China allows the RMB to be more market-determined. Over 2018, we still look for mild appreciation in the CNY against the USD to 6.10 by the end of the year. In news, President Xi will hold a Communist Party meeting to select the next monetary and financial regulators in the next few days. This is ahead of the NPC meeting which would start on the 5th of Mar. Separately, CIRC took over Anbang Insurance after the regulator declared that Anbang's former Chairman Wu Xiaohui is prosecuted.
- **1M USDINR NDF - Pause.** 1M NDF traded sideways and was last seen around 65.20. This pair tracks the USD pretty well and the slip in UST yields also provide relief in the domestic bond markets. Bias for domestic bond yields is still to the upside however and that puts the USDINR still vulnerable to the upside as well. The rupee has been hurt by news of Punjab National Bank hurt by a loan fraud. Rupee-denominated securities have been underperforming as investors were concerned about the rising current account deficit and slipping real rates that have unwound carry trade. Bonds were also hit by a deficit of liquidity in the banking system. Investors sold U\$188.3 of equities on Wed and U\$137.7mn of bonds. 10y yield slipped from a gap up yesterday to north of 7.80% to levels around 7.74%. For the 1M USDINR NDF, price action may remain bias to the upside with resistance at 65.50 (76.4% fibo retracement of the Sep-Jan fall). Support at 64.78, 64.40.
- **1m USDIDR NDF - Temporary Relief; Buy On Dips.** 1m USDIDR NDF is seeing some relief this morning, possibly on profit-taking, after climbing higher to a new 2018 and 15th month high of 13756

overnight as interest in IDR carry trade plays fade on US Fed rate hike expectations this year. Even the expected inclusion of local government bonds into the Bloomberg Barclays fixed income indices effective Jun has proven to be fleeting with foreign investors selling USD42.6mn yesterday and USD13.3mn in debt on 21 Feb (latest data available). Eyes will be on the Fed's release of semi-annual monetary policy report to Congress this evening and Fed Chair Powell's testimony to Congress next week. This should see further paring of short-USIDR positions ahead, weighing on the IDR and keep the USIDR supported. Meanwhile, the spot USIDR gapped lower at the opening to 13666 from yesterday's close of 13685. Last seen around 13692 levels. Both daily and weekly chart and stochastics are mildly bullish bias. This suggests further downside could be limited. Support is around 13640 (23.6% fibo retracement of the Jan low to Feb high). Dips could be an opportunity to buy towards 13760 levels (2018 high). JISDOR was fixed at 13665 yesterday, 83 pips higher than the fixing on Wed.

- **1m USDPHP NDF - *Downside Pressures*.** 1m USDPHP NDF extended losses for the fourth consecutive session as market added to short-USD/Asian positions, allowing the 1m NDF to slip below the 52-handle this morning. Speculation of a BSP tightening continues to provide support for the PHP as well. Continuing waning risk appetite though saw foreign investors selling another USD7.5mn of equities yesterday and extension of the sell-off into this session could keep the 1m NDF supported and slow its grind lower. Spot USDPHP gapped lower at the opening to 52.010 this morning from yesterday's close of 52.128. Last seen around 51.96 levels, 1m NDF has lost most of its bullish momentum, while stochastics shows signs of turning lower from overbought conditions. Bullish bias on the weekly chart remains intact while stochastics is approaching overbought conditions. Thus uptrend remains intact though we are wary of further corrections in the near term, though any dips could be opportunities to buy into. Support nearby is around 51.90 (21DMA) before 51.60 (38.2% fibo retracement of the Jan low to Feb high). Resistance is around the 52.40 levels ahead of 52.70. The CPI has been rebased to 2012 from 2006 but BSP Governor Espenilla has reaffirmed that the central bank's inflation target remains at the 2-4% range.
- **USDTHB - *Softer*.** USDTHB is trading softer for the second straight session, supported by expectations of further foreign portfolio inflows and softer USD against the Asians. Foreign investors had purchased USD18.8mn and USD97.8mn of equities and debt yesterday. Last seen at 31.439 levels. Daily chart shows very mild bullish bias and stochastics climbing higher. Momentum indicators and stochastics on the weekly chart though shows no clear bias. Support is around 31.370 (23.6% fibo retracement of the Feb high to low), 31.250 levels. Resistance is around 31.570 (50% fibo).

Malaysia Fixed Income

Rates Indicators

Analysts

MGS	Previous Bus. Day	Yesterday's Close	Change (bps)
3YR MH2/21	3.36	3.38	+2
5YR MI3/22	3.58	3.60	+2
7YR ML9/24	3.99	4.00	+1
10YR MO11/27	4.04	4.07	+3
15YR MX4/33	4.51	4.51	Unchanged
20YR MX4/37	4.65	4.65	Unchanged
30YR MZ3/46	4.86	4.87	+1
IRS			
6-months	3.70	3.71	+1
9-months	3.73	3.73	-
1-year	3.77	3.77	-
3-year	3.83	3.84	+1
5-year	3.93	3.94	+1
7-year	4.05	4.06	+1
10-year	4.17	4.20	+3

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Source: Maybank KE

*Indicative levels

- Malaysian government bonds continued to see selling pressure, with volume heavier in medium- to long-dated government bonds as players struggled to reduce risk. 10y MGS 11/27 rose 3bps higher, while ultra-long end yields remained steady. Market awaits the announcement of the 10y MGS 11/27 re-opening auction, expected tomorrow, for further cues.
- Fairly active session for MYR IRS with the curve moving 1-3bps higher as MGS weakened further. Receiving in the 5y tenor remained consistent over the past few weeks, which we reckon could be flow related. Reported IRS trades include the 3y at 3.84%, 4y at 3.88% and 5y at 3.93%. 3M KLIBOR stable at 3.69%.
- Domestic corporate bond space was relatively more tepid as MGS yields grinded higher on the back the UST movement. Front end GGs widened 1-3bps, while AAs widened 2bps. More or less market only saw front end trades as despite long end having buying interest on papers such as 15y Tenaga and Rantau, bidders were not paying up.

Singapore Fixed Income

Rates Indicators

SGS	Previous Bus. Day	Yesterday's Close	Change (bps)
2YR	1.61	1.66	+5
5YR	2.04	2.06	+2
10YR	2.38	2.42	+4
15YR	2.69	2.74	+5
20YR	2.75	2.80	+5
30YR	2.87	2.91	+4

Source: Maybank KE

- SGS opened weaker tracking the overnight weakness in UST after the release of US FOMC minutes which signalled a more hawkish tone as Fed officials' optimism on the US economy and tightening labor market increased. SGS curve bear steepened along the 5y30y as dip buyers were seen around 7y-10y, while 20y and beyond continued to get hit and elevated funding rates pressured the front end. The cheapening of the long end is healthy and is likely result in decent demand for the 30y reopening. Meantime, SGS yield movements should continue to track US yields. SGS ended 2-5bps higher in yields, with the belly outperforming. Swap spreads narrowed 1-2bps on higher funding costs, with SGD IRS up 1-5bps.
- In Asian credit market, CDS weakened 1-2bps after the selloff in UST. China IGs mixed, but higher quality SOEs were unchanged in spreads. Front end space felt heavier as investors switched to buying 10y papers across the board. INDONs lowered 0.25-0.50pts in cash price, then traded sideways. In primary, Indonesia opened books for USD sukuk issuance comprising 5y Green Bond and 10y benchmark. IPG of 4.05% and 4.70% seems generous, particularly the latter, but expect books to close tighter. The 10y is preferred as it seems cheap even if levels were to tighten to around 4.40%.

Indonesia Fixed Income

Rates Indicators

IDR Gov't Bonds	Previous Bus. Day	Yesterday's Close	Change (bp)
2YR	5.37	5.42	5.37
5YR	5.73	5.83	10.01
10YR	6.40	6.55	14.93
15YR	6.90	7.02	11.70
20YR	7.20	7.32	12.54
30YR	7.15	7.13	(1.81)

* Source: Maybank Indonesia

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- Indonesia bond market closed significantly lower amid hawkish Fed minutes release and continuation of UST 10y yield moving higher. The recent announcement of Indonesia's local currency bonds inclusion to Bloomberg Barclays Global Aggregate Bond index seems failed to curb the south movement of IGB yields during the day. The 10y IGB yield jumps the most since July 2017. However, we see this situation as "Temporary" as the country's fundamentals seem supportive towards the IGB market. Moreover, Indonesia Minister of energy and Mineral Resources stated during the day, that there would not be any electricity tariff hike till 2019. 5-yr, 10-yr, 15-yr and 20-yr benchmark series yield stood at 5.829%, 6.552%, 7.016% and 7.321% while 2y yield moved higher to 5.425%. During the day, FR0059 (9y) yield increased the most by 20bps. 5y10y G-Spread is the widest on YTD basis currently (5y10y current spread: 72bps). Trading volume at secondary market was noted heavy at government segments amounting Rp29,090b with FR0075 (20y) as the most tradable bond. FR0075 total trading volume amounting Rp3,255b with 396x transaction frequency.
- Foreign ownership stood at Rp856.3t or 40.4% of total tradable government bond as of Feb 21st. Considering a 2-day's settlement, Foreigner booked net sell worth of Rp10.9t from begin month Feb 18.
- Corporate bond traded heavy amounting Rp997b. MORA01A (Moratelindo I Year 2017; A serial bond; Rating: *id*A) was the top actively traded corporate bond with total trading volume amounted Rp245b yielding 9.691%.

Foreign Exchange: Daily Levels

	EUR/USD	USD/JPY	AUD/USD	GBP/USD	USD/CNH	NZD/USD	EUR/JPY	AUD/JPY
R2	1.2406	108.22	0.7901	1.4066	6.3657	0.7395	132.8867	84.3907
R1	1.2368	107.49	0.7874	1.4011	6.3500	0.7369	132.2633	84.0743
Current	1.2326	106.86	0.7840	1.3951	6.3392	0.7325	131.7000	83.7680
S1	1.2276	106.31	0.7805	1.3879	6.3233	0.7312	131.1533	83.4813
S2	1.2222	105.86	0.7763	1.3802	6.3123	0.7281	130.6667	83.2047

	USD/SGD	USD/MYR	USD/IDR	USD/PHP	USD/THB	EUR/SGD	CNY/MYR	SGD/MYR
R2	1.3290	n/a	13733	52.2787	31.7007	1.6309	0.6206	2.9670
R1	1.3241	n/a	13709	52.2033	31.5843	1.6287	0.6186	2.9632
Current	1.3196	3.9190	13686	52.1510	31.4910	1.6266	0.6175	2.9702
S1	1.3159	n/a	13652	52.0593	31.4053	1.6234	0.6145	2.9531
S2	1.3126	n/a	13619	51.9907	31.3427	1.6203	0.6125	2.9468

*Values calculated based on pivots, a formula that projects support/resistance for the day.

Equity Indices and Key Commodities

	Value	% Change
Dow	24,962.48	0.66
Nasdaq	7,210.09	-0.11
Nikkei 225	21,736.44	-1.07
FTSE	7,252.39	-0.40
Australia ASX 200	5,950.88	0.12
Singapore Straits Times	3,488.46	-0.79
Kuala Lumpur Composite	1,855.07	-0.17
Jakarta Composite	6,593.06	-0.76
Philippines Composite	8,515.57	-1.14
Taiwan TAIEX	10,662.38	-0.49
Korea KOSPI	2,414.28	-0.63
Shanghai Comp Index	3,268.56	2.17
Hong Kong Hang Seng	30,965.68	-1.48
India Sensex	33,819.50	-0.07
Nymex Crude Oil WTI	62.77	1.77
Comex Gold	1,332.70	0.05
Reuters CRB Index	195.27	-0.56
MBB KL	10.20	0.20

Rates	Current (%)	Upcoming CB Meeting	MBB Expectation
MAS SGD 3-Month SIBOR	1.2456	Apr-18	Neutral
BNM O/N Policy Rate	3.25	7/3/2018	Neutral
BI 7-Day Reverse Repo Rate	4.25	22/3/2018	Neutral
BOT 1-Day Repo	1.50	28/3/2018	Tightening Bias
BSP O/N Reverse Repo	3.00	22/3/2018	Tightening Bias
CBC Discount Rate	1.38	22/3/2018	Neutral
HKMA Base Rate	1.75	-	Tightening
PBOC 1Y Lending Rate	4.35	-	Tightening Bias
RBI Repo Rate	6.00	5/4/2018	Neutral
BOK Base Rate	1.50	27/2/2018	Tightening
Fed Funds Target Rate	1.50	22/3/2018	Tightening
ECB Deposit Facility Rate	-0.40	8/3/2018	Easing Bias
BOE Official Bank Rate	0.50	22/3/2018	Neutral
RBA Cash Rate Target	1.50	6/3/2018	Neutral
RBNZ Official Cash Rate	1.75	22/3/2018	Neutral
BOJ Rate	-0.10	9/3/2018	Easing
BoC O/N Rate	1.25	7/3/2018	Tightening

MYR Bonds Trades Details

MGS & GII	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
MGS 2/2013 3.260% 01.03.2018	3.260%	1-Mar-18	45	3.209	3.269	3.209
MGS 5/2011 3.580% 28.09.2018	3.580%	28-Sep-18	12	3.14	3.301	3.14
MGS 5/2015 3.759% 15.03.2019	3.759%	15-Mar-19	137	3.122	3.171	3.122
MGS 3/2004 5.734% 30.07.2019	5.734%	30-Jul-19	25	3.271	3.271	3.271
MGS 4/2014 3.654% 31.10.2019	3.654%	31-Oct-19	8	3.311	3.311	3.311
MGS 2/2009 4.378% 29.11.2019	4.378%	29-Nov-19	22	3.328	3.34	3.328
MGS 6/2012 3.492% 31.03.2020	3.492%	31-Mar-20	6	3.431	3.431	3.431
MGS 3/2015 3.659% 15.10.2020	3.659%	15-Oct-20	13	3.461	3.461	3.461
MGS 5/2017 3.441% 15.02.2021	3.441%	15-Feb-21	30	3.38	3.398	3.38
MGS 1/2011 4.16% 15.07.2021	4.160%	15-Jul-21	21	3.499	3.511	3.499
MGS 3/2014 4.048% 30.09.2021	4.048%	30-Sep-21	16	3.601	3.61	3.601
MGS 4/2016 3.620% 30.11.2021	3.620%	30-Nov-21	150	3.476	3.576	3.462
MGS 1/2017 3.882% 10.03.2022	3.882%	10-Mar-22	18	3.6	3.6	3.6
MGS 1/2012 3.418% 15.08.2022	3.418%	15-Aug-22	4	3.778	3.778	3.778
MGS 2/2015 3.795% 30.09.2022	3.795%	30-Sep-22	14	3.787	3.787	3.759
MGS 3/2013 3.480% 15.03.2023	3.480%	15-Mar-23	27	3.865	3.865	3.854
MGS 1/2014 4.181% 15.07.2024	4.181%	15-Jul-24	10	3.975	3.975	3.975
MGS 2/2017 4.059% 30.09.2024	4.059%	30-Sep-24	140	4.006	4.006	3.998
MGS 1/2015 3.955% 15.09.2025	3.955%	15-Sep-25	19	4.024	4.071	4.024
MGS 3/2016 3.900% 30.11.2026	3.900%	30-Nov-26	27	4.105	4.126	4.057
MGS 4/2017 3.899% 16.11.2027	3.899%	16-Nov-27	57	4.06	4.068	4.036
MGS 3/2010 4.498% 15.04.2030	4.498%	15-Apr-30	14	4.471	4.471	4.471
MGS 4/2013 3.844% 15.04.2033	3.844%	15-Apr-33	25	4.486	4.515	4.486
MGS 3/2017 4.762% 07.04.2037	4.762%	7-Apr-37	10	4.65	4.65	4.65
MGS 2/2016 4.736% 15.03.2046	4.736%	15-Mar-46	22	4.867	4.867	4.861
PROFIT-BASED GII 1/2011 30.08.2018	3.872%	30-Aug-18	116	3.278	3.278	3.278
PROFIT-BASED GII 7/2012 15.05.2020	3.576%	15-May-20	120	3.603	3.603	3.586
PROFIT-BASED GII 7/2012 15.05.2020	3.576%	15-May-20	20	3.603	3.603	3.603
GII MURABAHAH 3/2017 3.948% 14.04.2022	3.948%	14-Apr-22	102	3.886	3.892	3.885
GII MURABAHAH 1/2015 4.194% 15.07.2022	4.194%	15-Jul-22	10	3.95	3.95	3.95
GII MURABAHAH 8/2013 22.05.2024	4.444%	22-May-24	140	4.149	4.149	4.149
GII MURABAHAH 3/2016 4.070% 30.09.2026	4.070%	30-Sep-26	25	4.301	4.301	4.301
GII MURABAHAH 1/2017 4.258% 26.07.2027	4.258%	26-Jul-27	20	4.232	4.232	4.232

Total

1,426

Sources: BPAM

MYR Bonds Trades Details

PDS	Rating	Coupon	Maturity Date	Volume (RM 'm)	Last Done	Day High	Day Low
KHAZANAH 0% 08.03.2021	GG	0.000%	8-Mar-21	20	3.995	3.995	3.995
PTPTN IMTN 4.450% 26.03.2021	GG	4.450%	26-Mar-21	40	4.007	4.024	4.007
DANAINFRA IMTN 4.120% 21.03.2022 - Tranche No 55	GG	4.120%	21-Mar-22	30	4.117	4.117	4.117
LPPSA IMTN 4.170% 15.04.2022 - Tranche No 7	GG	4.170%	15-Apr-22	20	4.126	4.126	4.126
KHAZANAH 0% 15.06.2022	GG	0.000%	15-Jun-22	20	4.127	4.127	4.127
DANAINFRA IMTN 4.450% 11.11.2022 - Tranche No 37	GG	4.450%	11-Nov-22	10	4.177	4.191	4.177
PLUS BERHAD IMTN 4.860% 12.01.2038 - Series 1	GG	4.860%	12-Jan-38	10	5.055	5.061	5.055
CAGAMAS IMTN 6% 07.08.2020	AAA	6.000%	7-Aug-20	20	4.092	4.117	4.092
GENM CAPITAL MTN 1826D 31.3.2022	AAA (S)	4.780%	31-Mar-22	5	4.668	4.668	4.668
PLUS BERHAD IMTN 5.000% 11.01.2030 - Series 1 (14)	AAA IS	5.000%	11-Jan-30	20	4.789	4.791	4.789
RANTAU IMTN 0% 12.05.2031 - MTN 5	AAA (S)	5.050%	12-May-31	20	4.849	4.852	4.849
SBPC 4.300% 03.07.2018 (SERIES 4)	AA1	4.300%	3-Jul-18	15	3.911	3.911	3.911
KEVSB IMTN 4.300% 05.07.2018	AA+ IS	4.300%	5-Jul-18	15	3.923	3.923	3.923
MAYBANK 4.900% 29.01.2024	AA1	4.900%	29-Jan-24	1	4.985	4.985	4.985
YTL POWER MTN 3651D 11.10.2024	AA1	4.950%	11-Oct-24	20	4.718	4.725	4.718
YTL POWER IMTN 5.050% 03.05.2027	AA1	5.050%	3-May-27	20	4.889	4.892	4.889
ANIH IMTN 4.80% 29.11.2018 - Tranche 5	AA IS	4.800%	29-Nov-18	20	4.147	4.154	4.147
IMTIAZ II IMTN 4.460% 29.05.2020	AA2 (S)	4.460%	29-May-20	5	4.401	4.401	4.401
IMTIAZ II IMTN 4.450% 16.10.2020	AA2 (S)	4.450%	16-Oct-20	5	4.432	4.432	4.432
IMTIAZ II IMTN 4.650% 24.11.2021	AA2 (S)	4.650%	24-Nov-21	10	4.548	4.563	4.548
UMWH IMTN 5.120% 04.10.2023	AA2	5.120%	4-Oct-23	5	4.721	4.721	4.721
TANJUNG BP IMTN 5.280% 16.08.2027	AA2	5.280%	16-Aug-27	15	4.819	4.823	4.819
MALAKOFF POW IMTN 5.050% 17.12.2019	AA- IS	5.050%	17-Dec-19	10	4.371	4.377	4.371
UEMED IMTN 4.850% 26.04.2022	AA- IS	4.850%	26-Apr-22	5	4.68	4.68	4.68
COUNTRY GDN IMTN 6.600% 23.02.2023 - Issue No 2	AA3 (S)	6.600%	23-Feb-23	30	6.557	6.557	6.55
SPG IMTN 4.880% 30.04.2025	AA- IS	4.880%	30-Apr-25	40	4.769	4.781	4.769
SPG IMTN 4.940% 30.04.2026	AA- IS	4.940%	30-Apr-26	40	4.809	4.821	4.809
S POWER IMTN 0% 18.05.2018	A1	20.420%	18-May-18	10	3.566	3.586	3.566
AMMB HLDG MTN 3652D 23.2.2028	A1	Pending	23-Feb-28	25	5	5.18	5

Total**506**

Sources: BPAM

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